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Message Text

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63
ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 /018 W
---------- 065781
R 181904Z NOV 75
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 1962
INFO USDOC WASHDC
AMCONSUL CALI
AMCONSUL MEDELLIN

UNCLAS SECTION 1 OF 2 BOGOTA 11126

EO 11652: NA
TAGS: BEXP, CO
SUBJ: LASED (MICHIGAN) IOGA TRADE MISSION

REF: STATE 248981; USDOC 15438; USDOC 15306

1. SUMMARY: DURING THE WEEK OF NOV 3-7, SEVEN MISSION MEMBERS REPRESENTING TWELVE FIRMS MET A FULL SCHEDULE OF: 100 APPOINTMENTS; SEVEN PLANT VISITS BY INDIVIDUAL MEMEBERS; AND THREE MISSIONGROUP PLANT VISITS. LOCAL INTEREST IN PRODUCTS WAS ENTHUSIASTIC AS EVIDENCED BY: ANTICIPATED 12 MONTH SALES $1,637,000; PROBABLE APPOINTMENT OF THREE SALES REPRESENTATIVES; AND TWO POSSIBLE JOINT VENTURES. SIX MISSION MEMBERS ACHIEVED OR SURPASSED THEIR OBJECTIVES, AND ONE INDIVIDUAL PARTIALLY ACHIEVED OBJECTIVES. MAN HOURS DEVOTED TO ADVANCE PREPARATIONS WERE APPROXIMATELY 150 PERCENT MORE THAN FOR OTHER MISSIONS. END SUMMARY.

2. MISSION PARTICIPANTS WERE MET AT AIRPORT ON ARRIVAL FRIDAY OCTOBER 31, AND WERE ACCOMPANIED TO HILTON HOTEL WHERE THEY RECEIVED WELCOME BRIEFING. WEEKEND WAS SPENT SIGHTSEEING IN BOGOTA.

3. MISSION ACTIVITIES BEGAN MONDAY MORNING NOV. 3 WITH A BRIEFING BY COMMATT AND REPRESENTATIVES OF COMMERCIAL STAFF AT BIC IN SALON MAGDALENA OF HILTON HOTEL.
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SUBSEQUENTLY MISSION PARTICIPANTS ATTENDED BRIEFING

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HOSTED BY FERNANDO SANZ, PRESIDENT OF THE NATIONAL
FEDERATION OF METAL WORKING INDUSTRIES (FEDEMETAL),
WITH APPROXIMATELY 15 FEDEMETAL MEMBERS IN ATTENDANCE.

4. BUSINESS APPOINTMENTS HELD IN BIC MONDAY AFTERNOON,
ALL DAY TUESDAY AND WEDNESDAY. THURSDAY MORNING
MISSION GROUP TOURED CHRYSLER COLMOTORES WHERE THEY WERE
BRIEFED BY THE PRESIDENT, GERMAN MONTOYA. LUNCH WAS HOSTED
BY CHRUSLER. THURSDAY AFTERNOON THE GROUP VISITED TWO
SMALLER COLOMBIAN METALWORKING PLANTS. PLANT VISITS
GAVE MISSION MEMBERS OVERALL PICTURE OF COLOMBIAN METAL-
WORKING SECTOR AND THE DEGREE OF INDUSTRIALIZATION. FOLLOW-UP
APPOINTMENTS AND ADDITIONAL PLANT VISITS BY INDIVIDUAL
MEMBERS TOOK PLACE FRIDAY.

5. MISSION MEMBERS' COMMENTS MADE DURING WEEK AND AT
DEFRIEFING WERE
AS FOLLOWS:

A. MISSION CO-DIRECTOR ANTONIO RIOS PRAISED THE
EFFICIENCY AND COOPERATION OF THE EMBASSY. HE NOTED
THAT THE MISSION ORGANIZERS' OBJECTIVE OF INCREASING
COLOMBIAN-DETROIT AREA TRADE HAD BEEN ACHIEVED BECAUSE
OF PREPARATION AND GROUNDWORK DONE BY EMBASSY RESULTING
IN A SMOOTH-RUNNING AND PRODUCTIVE APPOINTMENT
SCHEDULE. RIOS EXPRESSED KEEN INTEREST IN ORGANIZING
PARTICIPATION FROM DETROIT AREA IN THE U. S. PAVILION
AT THE XI INTERNATIONAL FAIR OF BOGOTA IN ORDER TO FOLLOW-
UP AND EXPAND COMMERCIAL OPPORTUNITIES WHICH HAD BEEN
GENERATED DURING THE TRADE MISSION.

B. MISSION CO-DIRECTOR GEORGE LAMBRINOS STATED THAT
THIS WAS THE FIRST MISSION HE HAD PLANNED AND THE
ORGANIZERS HAD MADE MANY MISTAKES. HOWEVER, THE
EMBASSY HAD DONE AN EXCELLENT BACK-UP JOB WHICH MADE
THE MISSION A SUCCESS.

C. ROSA TORRES, SPECIAL ASSISTANT TO THE GOVERNOR OF MICHIGAN
EMPHASIZED THAT SHE WOULD REPORT TO GOVERNOR MILLIKEN
THE SUCCESS OF THE MISSION AND WOULD LEND SUPPORT FROM THE
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GOVERNOR' OFFICE IN ORGANIZING PARTICIPATION FROM MICHIGAN
IN THE U. S. PAVILION AT THE BOGOTA INTERNATIONAL
FAIR.

$. LOIS MOSTYN OF AAA PERFORMANCE TOOL (NEW-TO-MARKET)
SIGNED A JOINT VENTURE AGREEMENT AND EXPERIENCED STRONG
INTEREST FOR THE FIRM'S CUTTING AND PRECISION TOOLS FROM
WHICH SIZEABLE DIRECT SALES SHOULD RESULT IN THE NEXT YEAR.

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FIRM HAD 11 APPOINTMENTS FROM WHICH 8 LEADS WERE DEVELOPED.

E. CHICO CUNHA OF KUT-KOOL INC. (OLD-TO-MARKET)
FOUND AN EXCELLENT MARKET FOR HIS PRODUCT LINE. HE
WAS SURPRISED AT ANTIQUATED COLOMBIAN USE OF SILICONE
INSTEAD OF DIAMOND WHEELS AND ESTIMATED THAT HE HAD
GOOD PROSPECTS OF SELLING OVER 300 DIAMON WHEELS IN THE
NEXT YEAR. CUNHA HAD 13 APPOINTMENTS AND ONE INDIVIDUAL
PLANT VISIT WHICH GENERATED $2000,000 IN EXPORT SALES
OVER THE NEXT YEAR.

F. FRANK KRAIMER OF CREST TOOL INDUSTRIES AND
CAYUGA ASSOCIATES (NEW-TO-MARKET) GAINED A WIDE
EXPOSURE TO THE COLOMBIAN MARKET WHICH WAS HIS PRIMARY
OBJECTIVE AND ESTIMATED DIRECT SALES OF $5000,000 OVER
THE NEXT TWO YEARS. KRAIMER FOUND EXCELLENT BUSINESS
PROSPECTS FOR SIMPLY-DESIGNED MACHINES WHICH WOULD EASILY
FIT INTO THE COLOMBIAN MARKET AT THECURRENT STAGE
OF DEVELOPMENT. HOWEVER, LIMITATIONS ON MARKET
PENETRATION FOR MORE SOPHISTICATED MACHINES EXIST BECAUSE
OF LACK OF CAPITAL FOR INVESTMENT IN EXPENSIVE
MACHINERY AND A MORE LABOR INTENSIVE METALWORKING
INDUSTRY THAN IN THE UNITED STATES. ONE INDIVIDUAL
PLANT VISIT AND 16 APPOINTMENTS CREATED MANY PRIMISING
LEADS WHICH WILL BE DEVELOPED ON A RETURN TRIP TO
COLOMBIA.

G. TED BARRIE OF ADRIAN INDUSTRIES (NEW-TO-MARKET) ESTIMATED
THAT HIS 21 APPOINTMENTS AND ONE INDIVIDUAL PLANT VISIT
WOULD REALIZE OVER $200,000 IN DIRECT SALES IN THE
NEXT YEAR. POSSIBILITY EXISTS OF JOINT VENTURE TO DISTRIBUTE
HIS FIRM'S USED METALWORKING MACHINERY AND TIME-CONSUMING
LICENSING REQUIREMENTS OF GOC A HINDERANCE TO EXPORTS OF
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HIS PRODUCTS. NEVERTHELESS, BARRIE DEVELOPED 20 LEADS
AND PLANS TO RETURN TO COLOMBIA BECAUSE OF EXCELLENT
MARKET POTENTIAL FOR USED METALWORKING MACHINE TOOLS.

H. DR. WARREN YEE OF HARLEY & ELLINGTON PIERCE YEE ASSOCIATES
(NEW-TO-MARKET) HAD 12 APPOINTMENTS AND TWO PLANT
VISITS WHICH DEVELOPED EXCELLENT CONTACTS IN
COLOMBIA. BECAUSE HIS COMPANY SELLS A SERVICE, ARCHITECTURAL
AND DESIGN ENGINEERING, AND BECAUSE A LONG PROJECT
LEAD-TIME IS INVOLVED, EXPOSURE TO NEW BUSINESS PROSPECTS
IS A VITAL FIRST STEP. THIS OBJECTIVE WAS REALIZED
BEYOND EXPECTATIONS. YEE ESTIMATED THAT POTENTIAL FOR
$500,000 IN CONSULTING FEES EXISTS IN COLOMBIA OVER THE NEXT
FEW YEARS.

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 /018 W
---------- 066373
R 181904Z NOV 75
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 1963
INFO USDOC WASHDC
AMCONSUL CALI
AMCONSUL MEDELLIN

UNCLAS SECTION 2 OF 2 BOGOTA 11126

EO 11652: NA
TAGS: BEXP, CO
SUBJ: LASED (MICHIGAN) IOGA TRADE MISSION

REF: STATE 248981; USDOC 15438; USDOC 15306

I. JOSEPH ROGERS OF ROGERS ASSOCIATES AND EXITO CORP (OLD-TO-MARKET) HAD BEEN TO COLOMBIA THREE TIMES BUT NEVERTHLESS DEVELOPED MANY NEW PROSPECTIVE CLIENTS FROM HIS 11 APPOINTMENTS AND ONE INDIVIDUAL PLANT VISIT. ROGERS STATED THAT HIS PRODUCT LINE WAS VERY SPECIALIZED AND THE BEST CONTACT DEVELOPED RESULTED FROM A PLANT VISIT TO AVIANCA MAINTENANCE.

J. WALTER LOCKWOOD OF L&M MACHINERY (NEW-TO-MARKET) MADE ONE DIRECT SALE OF $87,000 AND HAS VERBAL COMMITMENTS FOR $150,000 FOR NEXT YEAR. AS WELL, HE NAMED TWO COLOMBIAN DISTRIBUTORS FOR THE COMPANIES HE REPRESENTS IN THE U. S. WHICH INCLUDE TOSHIBYA, GOMYA, AND SEVERAL JAPANESE TRADING COMPANIES. LOCKWOOD HAS 16 APPOINTMENTS AND ONE PLANT VISIT. EMBASSY COMMENT: LOCKWOOD TOLD EMBASSY THAT HE IS U. S. DISTRIBUTOR FOR SEVERAL JAPANESE FIRMS AND THE PRODUCTS WHICH HE SOLD DURING THE MISSION WILL BE MADE IN JAPAN AND EXPORTED TO COLOMBIA DIRECTLY FROM JAPAN (FOB KOBE). NONE OF THE ITEMS SOLD HAVE U. S. COMPONENT PARTS. EMBASSY SUGGESTS BETTER SCREENINGOF MISSION MEMBERS BY USDOC IN THE
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FUTURE.

6. DURING THE WEEK A TRADE COMPLAINT WAS FILED BY A COLOMBIAN FRIM AGAINST CHICO CUNHA OF KUT-KOOL INC. CORCERNING A PREVIOUSLY-CNTRACTED PRUCHASE OF DRAWING TABLES BY CUNHA'S FIRM. EMBASSY OFFERED GOOD OFFICES AND PROMOTED A MEETING BETWEEN THE TWO PARTIES.

7. AS IN THE PAST, EMBASSY WAS HANDICAPPED IN THE PREPARATION STAGE OF THE MISSION BY THE LACK OF INFORMATION CONCERNING NUMBER OF PARTICIPANTS, TYPE OF COMPANIES REPRESENTED, AND SPECIFIC PRODUCT INFORMATION. TIMELY AND COMPLETE INFORMATION ABOUT THE MISSION MEMBERS AND THEIR FIRMS IS ESSENTIAL IN MAKING MEANINGFUL APPOINTMENTS WITH LOCAL BUSINESS. EXAMPLE: USDOC HAS REPORTED THAT CREST HAD A PRODUCT LINE OF MATERIAL HANDLING EQUIPMENT. THIS WAS ERRONEOUS AND RESULTED IN SEVERAL IRRELEVANT APPOINTMNTS BEING MADE.

8. EMBASSY DID NOT RECEIVE CATALOGS FOR DR. YEE OR MR. ROGERS WHICH HAD BEEN SENT TO BOGOTA THROUGH APO NEW YORK. BOTH FIRMS REQUEST CATALOGS BE FORWARDED TO THEM WHEN LOCATED. EMBASSY SUGGESTS CONTROL BE ESTABLISHED IN WASHINGTON TO ENSURE CATALOG ARRIVE BEFORE MISSION.

9. ALL TRADE MISSION MEMBERS HAD HIGH PRAISE FOR EMBASSY PREPARATIONS AND ORGANIZATION AND CONSIDERED THE MISSION A SUCCESS ABOVE EXPECTATIONS IN TERMS OF GAINING ENTRY TO THE COLOMBIAN MARKET. MOST PARTICIPANTS PLAN A RETURN TRIP TO COLOMBIA, SOME IN CONJUCTION WITH THE XI INTERNATIONAL FAIR OF BOGOTA. EMBASSY CONCURS WITH POSITIVE ASSESSMENT OF MISSION RESULTS.

10. NON-MISSION ACTIVITIES CONSUMED A FAIR AMOUNT OF TIME. AT THE SPECIFIC REQUEST OF MRS. TORRES, THE EMBASSY ARRANGED FOR HER, TIOS AND LAMBRINOS TO CALL ON THE ACTING MAYOR OF BOGOTA AND, WITH THE ASSISTANCE OF USIS, TO CALL ON LUCY NIETO DE SAMPER, PRESS SECRETARY TO THE PRESIDENT OF COLOMBIA. ON BOTH OCCASIONS, THE VISITORS PRESENTED COMMEMORATIVE GIFTS
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INCLUDING KEYS TO THE CITIS OF LANSING AND DETROIT, LETTERS FROM THE MAYOR OF THOSE CITIES, A LETTER FROM

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THE GOVERNOR OF MICHIGAN AND MSHER ITEMS.

11. TIME DEVOTED TO ADVANCE PREPARATIONS FOR THIS MISSION WAS AT LEAST 150 PERCENT MORE THAN OTHER MISSIONS. MOREOVER, THE USDOC ADVANCE OFFICER SPENT A FULL WEEK HERE. IN AN EFFORT TO REDUCE THE ADVANCE WORK TO NORMAL PROPORTIONS IN THE FUTURE, THE EMBASSY MADE THE FOLLOWING SUGGESTIONS TO THE MISSION ORGANIZERS:

A) TRADE MISSION SHOULD BE LIMITED TO THE MISSION MEMBERS/ORGANIZERS AND STOULD NOT BE PART OF A LARGER TOUR GROUP.

B) IOGA MISSION ORGANIZERS SHOULD UNDERSTAND THAT THE EMBASSY OR CONSULATE IS THEIR MAJOR POINT OF CONTACT AND SHOULD NOT REQUEST HOST COUNTRY ORGANIZATIONS OR INDIVIDUALS TO PROVIDE A WIDE RANGE OF SERVICES. ONE OF OUR MAJOR PROBLEMS WAS THAT UNTIL THE VERY LAST MOMENT LASED CONTINUED TO LOCK UPON DEFEMETAL AS THE MAJOR SOURCE OF ORGANIZATIONAL ASSISTANCE, THUS COMPLICATING OUR EFFORTS TREMENDOUSLY.

C) BROCHURES SHOULD BE COORDINATED IN ADVANCE WITH THE EMBASSY AS REGARDS LANGUAGE, CONTENT AND SIZE. THE BLOCHURES WE RECEIVED CONTAINED MONSTLY BIO DATA RATHER THAN PRODUCT DATA, WERE TOO LARGE FOR MAILING IN WINDOW ENVELOPES AND REQUIRED EXTENSIVE REVISIONS TO THE TEXT.

D) MISSION ORGANIZERS MUST ACCEPT USDOC/POST GUIDELINES ON XPEDITURES FOR SUPPORT SERVICES. WHILE THE LASED MISSION EVENTUALLY DID AGREE TO FUND THE NECESSARY SRVICES, MUCH EFFORT WAS DEVOTED TO ATTEMPTING TO OBTAIN SUCH THINGS AS "FREE" SECRETARIES.

E) MISSION MEMBERS MUST ADHERE TO THE SCHEDULE ESTABLISHED BY THE POST. WHILE THE RECORD IN BOGOTA WAS GENERALLY GOOD, TWO MEMBERS CONSIDERED RETURNING TO THE U. S. AFTER BOGOTA, THUS PUTTING THE MEDELLIN PROGRAM IN JEOPARDY. FORTUNATELY, WHEN IT WAS POINTED OUT THAT
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THE MEDELLIN PART OF THE MISSION DEPENDED HEAVILY ON THEIR PRESENCE THEY AGREED TO KEEP THEIR APPOINTMENTS THERE.
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Message Attributes

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Copy: SINGLE
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Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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TAGS: BEXP, CO, IOGA
To: STATE
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